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Accelerating progress towards the Millennium Development Goals: options for sustained and inclusive growth and issues for advancing the United Nations development agenda beyond 2015

Annual report of the Secretary-General

Summary

The present report discusses recent progress made towards achievement of the Millennium Development Goals and outstanding challenges en route to 2015. At the request of Member States, it explores successful experiences in fostering sustained and inclusive economic growth as part of strategies to achieve the Millennium Development Goals. It further stresses the need to step up efforts to meet commitments in strengthening the global partnership for development (Goal 8) and properly follow up on agreements at the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals. As the 2015 deadline is approaching, the time has also come to look at the future of the international development agenda; this report provides suggestions on key considerations for a new agenda and appropriate consultation processes.

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I. Introduction

1. More than 10 years since world leaders established goals and targets to greatly reduce extreme poverty, hunger, illiteracy and disease, the Millennium Declaration[1] and the Millennium Development Goals framework for accountability derived from it have inspired development efforts and helped set priorities and focus interventions. In the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals,[2] entitled "Keeping the promise: united to achieve the Millennium Development Goals", Member States requested the Secretary-General to report on progress in the implementation of the Millennium Development Goals and to make recommendations for further steps to advance the United Nations development agenda beyond 2015. Further, in its resolution 65/10, the General Assembly requested the Secretary-General to include an analysis of and policy recommendations on sustained, inclusive and equitable economic growth for accelerating poverty eradication and achievement of the Millennium Development Goals in his annual report on progress in the implementation of the Millennium Development Goals until 2015.

2. This report responds to those requests and initiates a series of analytical annual reports on Millennium Development Goal-related achievements, including recommendations to advance the United Nations development agenda beyond 2015.

II. Progress in achieving the Millennium Development Goals[3]

A. Progress achieved

3. Significant progress has been made in a number of areas, owing to sustained per capita income growth in some developing countries and targeted policy efforts in critical areas, including expansion of programmes to deliver services and other resources directly to those most in need.

4. The world as a whole is still on track to reach the poverty-reduction target, despite setbacks during the 2008-2009 economic downturn and associated food and energy price crises. It is expected that the global poverty rate will have dropped to under 15 per cent by 2015, well below the target of 23 per cent. This global trend, however, mainly reflects rapid growth and accelerated poverty reduction in East Asia, especially China. At current rates of progress, sub-Saharan Africa, West Asia and countries in the Caucasus and Central Asia regions are unlikely to halve the share of their populations living on less than $1.25 a day by 2015. In addition, the number of people living in poverty is actually growing in many parts of the world.

5. Access to primary education has improved substantially since 1990. Net enrolment increased from 80 per cent in 1991 to 88 per cent in 2005. South-East Asia, North Africa, Latin America, and East Asia are close to achieving universal access to primary education. However, for the developing world as a whole, more

[1] General Assembly resolution 55/2.

[2] General Assembly resolution 65/1.

[3] Unless otherwise noted, this section draws from the information base developed by the *Millennium Development Goals Report, 2011*, available at: http://unstats.un.org/unsd/mdg/Host.aspx?Content=Products/ProgressReports.htm.

recent progress in increasing enrolment and completion rates in primary education has been disappointing. The net enrolment ratio increased by just seven percentage points since 1999, reaching 89 per cent in 2009.

6. The global target for reducing child mortality could also be within reach. Achieving it will require stepping up efforts in a number of regions, especially in South Asia, sub-Saharan Africa and Oceania. Worldwide, deaths among children under the age of five declined from 12.4 million in 1990 to 8.1 million in 2009, or nearly 12,000 fewer children dying each day. Between 2000 and 2008, the combination of improved immunization coverage and the opportunity for a second dose reduced deaths caused by measles globally by 78 per cent. These averted deaths represent one quarter of the decline in mortality from all causes among children under five, but children from poorest households remain disproportionately vulnerable across all regions of the developing world.

7. The prevalence of malaria and the number of deaths caused by the disease have dropped substantially over the past decade owing to increased funding for and policy attention to malaria control. Between 2008 and 2010 alone, 290 million nets were distributed in sub-Saharan Africa, enough to cover 76 per cent of the 765 million persons at risk.

8. New HIV infections and the burden of other communicable diseases have declined steadily, with most of the reduction in sub-Saharan Africa. Thanks to major expansion of programmes and funding, the number of people receiving antiretroviral treatment for HIV or AIDS increased thirteen fold between 2004 and 2009. This led to a 19 per cent decline in the number of AIDS-related deaths over the same period. Up to 6 million lives have been saved since 1995, thanks to effective international protocols for tuberculosis treatment.

9. The world is on track to achieve the global target for increasing access to improved drinking water. Progress in this area has been very uneven across countries and regions, however. Also, in many parts of the world, problems with water quality persist because of pollution and surface and groundwater contamination. In all parts of the world, rural populations tend to lag well behind those in cities and towns; in sub-Saharan Africa, for instance, an urban-dweller is almost twice as likely to have access to an improved drinking water source as a rural inhabitant.

B. The most vulnerable populations are still missing out on many dimensions

10. Little to no progress has been made in reducing malnourishment among poorer families, especially in South Asia. After several decades of progress, the number of undernourished people in the world rose sharply in recent years, owing in part to increasing food prices and employment and income losses caused by the global economic crisis. The Food and Agriculture Organization of the United Nations (FAO) estimates that more than 1 billion people suffered from hunger in 2009. The number fell to 925 million in 2010, but is still well above the Millennium Development Goal target for hunger. Micronutrient deficiencies, or "hidden hunger", affect around 2 billion people worldwide. In South Asia, a shortage of quality food, poor feeding practices, poor sanitation and widespread poverty have resulted in the highest prevalence of underweight children in the world. Children

living in rural areas of developing regions are two times more likely to be underweight than are urban children. Insufficient nutritional achievement by age two condemns a child to being shorter, enrolling later in school, being less academically capable, receiving lower incomes as an adult, and, in the case of girls, being at greater risk of difficult childbirth and maternal mortality.

11. Important deficits in primary school enrolment and completion remain. In sub-Saharan Africa, primary school enrolment increased from 54 per cent in 1991 to 76 per cent in 2009, but this still leaves 24 per cent of the region's children out of school. More generally, children from the poorest households in developing countries, especially those living in rural areas and those with disabilities, are less likely to be enrolled in primary schools, and more likely to drop out before completing primary education. In developing regions, girls in the poorest 20 per cent of households are 3.5 times more likely to be out of school than girls in the richest households and four times more likely than boys in the richest households. In addition, recent evidence shows that quality of education lags behind the improvement in school enrolment ratios.[4]

12. Disparities are most striking in access to maternal care. The vast majority of maternal deaths are avoidable. Yet, pregnancy remains a major health risk in many parts of the world, especially among the poor, indigenous women[4] and those living in rural areas. In Mexico and Panama, for instance, the risk for indigenous women of dying when giving birth is three times higher than for other women. In South Asia, 94 per cent of women in the richest 20 per cent of households receive antenatal care, while only 48 per cent of the poorest 20 per cent have access to such care. Maternal deaths remain unacceptably high in sub-Saharan Africa and Southern Asia. This is the result of insufficient policy attention, exacerbated by resource constraints, to improving the efficiency and coverage of maternal health-care systems. Official development assistance (ODA) for reproductive health, which could ultimately reduce the cost of maternal and newborn health care, has decreased in recent years.

13. Over 2.6 billion people still lack access to adequate sanitation. Less than one third of the population in sub-Saharan Africa has access to safe sanitation. Coverage is dramatically low in rural areas, where only a quarter of the population uses improved sanitation. Even if the Millennium Development Goal target is met, there will still be 1.7 billion people without access to basic sanitation. With current trends, an additional billion people will miss out, and, by 2015, there will be 2.7 billion people without access to basic sanitation. In South Asia, the wealthy benefited disproportionally from improvements in sanitation, while sanitation for the poorest 40 per cent of households hardly improved. In General Assembly resolution 65/153, on "Sustainable sanitation: the five-year drive to 2015", Member States agreed to step up efforts to build political will, generate greater public awareness, and ensure scaled-up ground-level action to improve sanitation.

14. The number of slum-dwellers has continued to grow, and will continue to rise in the near future. Progress towards this Millennium Development Goal target has been insufficient to offset the growth of informal settlements. The number of urban residents living in slums is now estimated at 828 million. Faster expansion of basic

[4] World Bank, *Global Monitoring Report 2011: Improving the Odds of Achieving the MDGs* (Washington, D.C., 2011).

services is critical to improve the living standards of a growing urban population, as well as the adoption of policies to create better employment opportunities in urban and rural areas.

15. Many lack opportunities to acquire decent jobs. The lack of productive and decent jobs has been the main cause for insufficient poverty reduction in many parts of the world and the still rising numbers of working poor. Even before the crisis in 2007, some 624 million workers, especially in rural areas — 24 per cent of all workers in the world — lived with their families in extreme poverty. Between 2007 and 2009, that number was estimated to have increased by 122 million, including 57 million in South Asia and 24 million in sub-Saharan Africa. More youth are poor or underemployed than ever before: some 152 million young people work, but live in households that earn less than $1.25 per day. Millions of young people are trapped in temporary and involuntary part-time or casual work that offers few benefits and limited prospects for advancement in life. Young women often face additional barriers.

16. Lack of employment opportunities has been a source of civil and armed conflict in many countries, undermining progress towards achieving the Millennium Development Goals. To date, no conflict-prone low-income country has achieved a single Millennium Development Goal. Children born in conflict-affected countries are two times more likely to be malnourished, and also two times more likely to die before reaching the age of five.[5] More than 40 per cent of all children worldwide who are not enrolled in primary school — 28 million — live in poor countries affected by conflict. On average, a country that experienced major violence during the period 1981-2005 has a poverty rate 21 percentage points higher than a country without such violence. The average cost of civil war is equivalent to more than 30 years of gross domestic product (GDP) growth for a medium-size developing country, and trade levels after major civil violence generally take 20 years to recover.

17. Humanitarian crises and conflicts continue to uproot millions of people across the globe. Such crises also hinder the return of refugees and those internally displaced. At the end of 2010, close to 43 million people worldwide were displaced owing to conflict and persecution, the highest number since the mid-1990s, and about half a million more than in the previous year. Another 15 million people were displaced by natural disasters.

18. The high incidence of crime-related armed violence represents an additional obstacle to growth and development in a number of countries. Poverty, inequality and economic crises can trigger crime in vicious circles that further exacerbate economic and social conditions. Other forms of crime, such as corruption, extortion and theft of economic assets, can deprive economic actors of important resources and further weaken the rule of law.

Gender gaps persist and limit progress on other Millennium Development Goals

19. Achieving the Millennium Development Goals critically depends on women's education. Providing greater opportunities for girls to complete primary and secondary education is vital. Higher levels of female education have proven critical

[5] World Bank, *World Development Report 2011: Conflict, Security and Development* (Washington, D.C., 2011).

for health improvements and for enhancing family incomes through better job opportunities for women. Despite visible progress, gender parity in primary and secondary education — a target to be met by 2015 — is still out of reach in sub-Saharan Africa, North Africa, West and South Asia, and Oceania. Poverty, in turn, puts girls at a disadvantage, as girls from poor households are less likely to attend school than boys from the same household group.

20. Progress in increasing the share of women holding paid jobs outside the agriculture sector has been sluggish. Worldwide, the share of women in non-agricultural paid employment increased only slightly, from 35 per cent in 1990 to 40 per cent in 2009. In West Asia and North Africa shares are lower and progress has been less. Progress has slowed further because of the global economic crisis, while employment opportunities for women have lagged behind those for men during the recovery. In addition, in most developing countries, women are more likely to have poorly paid, insecure jobs in the informal sector.

21. Women's participation in political decision-making is slowly increasing. Worldwide, the percentage of parliamentary seats held by women increased from 11.6 per cent in 1995 to 19.3 per cent in 2011, leaving a long way to go to reach the target of equal representation of women and men by 2015. Poor women and rural women are typically marginalized in decision-making institutions across the world.

C. Transitioning to more sustainable development pathways

22. Global deforestation continues at a decreasing, but still alarming, rate. At the global level, deforestation decreased from about 16 million hectares per year in the 1990s to around 13 million in the last decade. At the same time, afforestation and the natural expansion of forests in some countries have reduced the net loss of forest area, but even so, the world continued to lose 5.2 million hectares of forests per year between 2000 and 2010. Although nearly 12 per cent of the planet's area and nearly 1 per cent of its sea are currently under protection, other areas critical to the Earth's biodiversity are not yet adequately safeguarded. In 2009, only half the world's 821 terrestrial eco-regions had more than 10 per cent of their areas protected. Most of the deforestation is still occurring in the tropics, while the gain in forest area is mostly in the temperate and boreal zones.

23. Forests play an important role in the global carbon cycle. The forestry sector alone is responsible for about one sixth of all human-induced greenhouse gas emissions, mainly owing to deforestation. In late 2010, countries agreed to establish a mechanism under the United Nations Framework Convention on Climate Change to reward developing countries that reduce carbon emissions from deforestation and forest degradation through the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD-plus mechanism). If the REDD-plus initiative succeeds, it will mitigate climate change and reduce the rate of forest and biodiversity loss, providing forest-dependent communities with alternative sources of income.

24. The fast growing share of the world's depleted and overexploited wild fish stocks is very worrying; 15 per cent of the world's wild fish stocks, the lowest on record, are little exploited. The share of wild fish stocks that are either overexploited or depleted has increased from 10 per cent in 1974 to 32 per cent in 2008.

25. The world has missed the 2010 target for biodiversity conservation. Some success in slowing biodiversity depletion has been achieved, but loss of biodiversity continues. Despite the Nagoya Protocol on Access and Benefit Sharing of Genetic Resources, adopted as a major tool to promote sustainable development, nearly 17,000 species of plants and animals are known to be threatened with extinction. Based on current trends, loss of species will continue throughout this century, with increasing risk of dramatic threats to ecosystems. The irreversible loss of biodiversity, including in agriculture, will hamper efforts to meet other Millennium Development Goals, especially those related to poverty, hunger and health.

26. Emissions of carbon dioxide (CO_2) have continued to increase. Emissions in 2008 were about 40 per cent above those in 1990. In 2008, the latest year for which data are available, global CO_2 emissions reached 29.4 billion metric tons, an increase of 1.5 per cent from the previous year. According to the World Meteorological Organization, the decade 2001-2010 was the warmest on record in terms of average global temperatures.

27. Developing countries will bear large costs associated with the negative impact of changing weather patterns, water shortages and rising sea levels, and are least equipped to deal with them. Climate-related disaster risk has intensified dramatically over recent decades.[6] Desertification, land degradation and drought continue to be among the most pressing global environmental challenges of our time. Land degradation affects 1.5 billion people globally, whose livelihoods depend directly on utilizing this degraded land. Agricultural and food production is likely to be adversely affected by increased climate variability, especially in countries with low incomes, much more hunger and poverty, and greater vulnerability to climate change. Climate change can also increase the risk of violence by compounding resource scarcities. For example, in sub-Saharan Africa, civil conflict is more likely following years of poor rainfall.[7] Disasters erode development investments, e.g., the destruction and damage to schools and health facilities, while 85 per cent of people most exposed to earthquakes, cyclones, floods and droughts live in developing countries. Poorer countries also face disproportionately higher mortality rates and economic loss risks.

D. The global economic crisis has slowed progress

28. The impact of the economic downturn on all Millennium Development Goals has been far-reaching. Developing countries suffered substantial deceleration in economic growth, which affected the fiscal space available for investing in the Millennium Development Goals during the crisis. Many economies have seen swift recovery, helped, in many cases, by fiscal stimulus measures, including social protection and other measures supporting the Millennium Development Goals. Strong output recovery has also helped raise employment levels, though in many instances most job creation has been in the form of less secure employment. Soaring global food and oil prices have also affected most people, especially the poor,

[6] See *World Economic and Social Survey 2011: The Great Green Technological Transformation* (United Nations publication, Sales No. E.11.II.C.1), chap. IV.

[7] See Henk-Jan Brinkman and Cullen S. Hendrix (forthcoming) Food Insecurity and Violent Conflict: Causes, Consequences, and Addressing the Challenges, Occasional Paper, World Food Programme.

particularly in countries with limited fiscal space and inadequate social protection. An estimated 44 million more are believed to have fallen into poverty owing to the rise in food prices between mid-2010 and early 2011,[8] after which food and energy prices continued to rise. Over the coming decade, food prices are expected to remain higher while commodity price volatility is expected to continue,[9] particularly hurting food-importing low-income countries. This may lead to more substitution of costlier micronutrient-rich foods with cheaper starchy staples, and to reduced meals and food consumed, which will reduce micronutrient intakes.

29. The cost of achieving the Millennium Development Goals may have increased by as much as 1.5 per cent of GDP annually because of the crisis.[10] Countries like Nicaragua, the Plurinational State of Bolivia and Kyrgyzstan need to allocate an additional 9.5 per cent of GDP to education, health and basic services between 2010 and 2015 to meet the Millennium Development Goal targets by 2015. Increased social spending, by itself, is not enough for growth recovery, but needs complementary policies supporting employment creation, economic diversification and productivity growth. Substantial additional investments in agriculture will also be required to ensure adequate food supplies.

III. Achieving the Millennium Development Goals requires stable, equitable and inclusive growth

A. Lessons from successful growth experiences

30. Many developing countries have made progress towards meeting particular Millennium Development Goal targets; however, much faster progress will be needed to meet all of the targets on time. As indicated, progress has been uneven, often with modest impact on the poorest and most vulnerable. Economic growth has helped developing countries advance in many areas, but it has often also increased inequality. Policies and interventions have not fostered simultaneous progress towards meeting all Millennium Development Goal targets for all segments of the population.

31. Millennium Development Goal progress requires sustained, inclusive, equitable and job-intensive growth that provides opportunities to everyone, including women, young people and disadvantaged groups. China and other countries in East Asia in particular, were successful in reducing poverty in recent decades. They managed to sustain strong economic growth, and to ensure that it was broad-based, over prolonged periods. Growth was supported by policies promoting structural change, typically with agricultural productivity improvements, large-scale investments in rural infrastructure and services, land entitlements for the rural poor, support for industrialization and capacity to participate in global trade. China's economy expanded at a growth rate close to 10 per cent yearly in the decades following agrarian reforms in 1978. Growth was further bolstered by strong industrial policies and support for technology development, innovation and diffusion. Viet Nam and

[8] See www.worldbank.org/foodcrisis/foodpricewatch/april_2011.html.

[9] Organization for Economic Cooperation and Development (OECD) and FAO *Agricultural Outlook 2011-2020* (Paris, OECD, 2011).

[10] See model-based estimates reported in *World Economic Situation and Prospects 2011* (United Nations publication, Sales No. E.11.II.C.2), box I.3.

several other East Asian economies have also seen dramatic reductions of poverty along similar lines since the 1980s. Earlier, Japan and the Republic of Korea achieved rapid and sustained growth and poverty reduction, building on broad-based development strategies. Sustained growth has also made possible the cumulative investments necessary for achieving the other Millennium Development Goals.

32. Sustained economic growth needs to be based on an equitable distribution of opportunities. In the East Asian experience, an equitable distribution of physical and human capital provided the basis for more broadly shared economic growth. Land and agrarian reforms were central to achieving more equitable distribution of land and agricultural production opportunities at the start of the economic take-off of many of the countries in the region. Universal education and health-care systems helped spread improvements in human development.

33. More equitable growth facilitates faster progress towards achieving the education and health-related Millennium Development Goals. Poor families may not be able to send their children to school if they cannot afford the complementary expenses and/or young sons and daughters may need to work to supplement family earnings or to contribute to unpaid household care work such as fetching water or firewood. Similarly, health outcomes of children and mothers depend not only on health-care quality, but also on nutrition. Quality of life often depends on family income. In some countries, Governments have reduced inequality through social protection policies, such as cash transfer programmes and subsidized pension schemes. These have provided some income protection during economic downturns and incentives to parents to keep children in school and take health measures, but only marginally redress inequality.

34. Sustained growth is not the same as sustainable growth. Current rates of urbanization and technologies used in agriculture and industry are rapidly depleting natural resources supporting life on the planet. Climate-related disaster risk has already intensified dramatically over recent decades. Climate change and natural resource depletion affect growth in low-income countries: for every increase in average global temperatures of one degree Celsius, between 2 and 3 per cent of output will be lost. Climate change is already lowering agricultural yields in various parts of the world. Many low-income countries will bear large costs owing to changing weather patterns, desertification, water shortages, and rising sea levels, setting back Millennium Development Goal achievement in affected regions.

B. How to ensure sustained, equitable and inclusive growth[11]

35. Country contexts and initial conditions differ, and past experiences suggest many pathways to overcoming obstacles to sustained growth and development. More successful countries not only followed strategies to overcome particular major constraints, but also ensured a fair degree of coherence among economic, social and, sometimes, environmental policies. National development strategies need to enable policy coherence tailored to country conditions. Thus, some key elements for sustainable and inclusive growth and development strategies include the following:

[11] See United Nations, *World Economic and Social Survey 2010: Retooling Global Development* (United Nations publication, Sales No. E.10.II.C.1), chap. II (2010).

A development-oriented macroeconomic framework

36. Macroeconomic policies need to support growth and productive employment creation. The recent global economic crisis and gyrations in world commodity and financial markets have posed serious macroeconomic policy challenges to developing countries. They also highlight the critical importance of consistently countercyclical macroeconomic policy frameworks in place to minimize the adverse impacts of a volatile external economic environment. Commodity stabilization funds can be helpful for commodity-exporting countries to counteract the impacts of world market price volatility. In countries with open capital accounts, conducting countercyclical monetary policies has become increasingly difficult, but some control can be regained through measures that better regulate capital flows and the domestic financial sector. Ensuring stable growth through such a framework is necessary, but not sufficient for inclusive development. For this, countercyclical policies need to be complemented by resource allocation decisions that ensure long-term support for investments in basic infrastructure, education, health and other basic services, as well as policies promoting dynamic structural change and employment generation, including through agricultural and industrial development policies. In countries exposed to natural hazards, related spending decisions and policies should be aligned with disaster risk management strategies to minimize development setbacks from natural threats.

37. In conflict-affected and post-conflict countries, international support should give priority to the development of economic management capacities for national development and reconciliation. A strong sense of ownership of national policies is essential for peacebuilding. Nation-building and public support will strengthen with adequate management of core government functions, basic safety and security, basic service provision, economic growth with employment generation, and natural resource management. Inclusive and job-rich growth will help mitigate social tensions that could otherwise threaten political stability. The United Nations policy framework for post-conflict employment creation, income generation and reintegration to improve short-term stability provides useful guidance to create conditions for sustainable peace.[12]

38. Especially in low-income and lower middle-income countries, agricultural and rural development for achieving inclusive growth must be prioritized. Strengthening the productivity, sustainability and resilience of about 500 million small farmers in developing countries would greatly enhance food security and inclusive economic growth. Coherent policy options are needed to remove the constraints to faster agricultural and rural development, including secure access to land, water rights, expansion of extension and financial services, improvement of infrastructure (transportation, storage, irrigation and water systems, and energy supply) and agricultural markets. Introduction of mechanisms for risk mitigation (such as crop and weather insurance) and greater capacities among small-scale farmers to manage risk are also needed. Special attention to improving production conditions for female workers in agriculture could generate additional economic and social

[12] See Committee of Experts on the Application of Conventions and Recommendations, Individual Observation concerning Employment, Policy Convention, 1964 (No. 122) Sudan (ratification 1970), International Labour Organization, 2010, and "Employment for Peace, Stability and Development: Draft: Regional Strategy for the Horn of Africa, 2011-2015", available at www.ilo.org/public/english/region/afpro/addisababa/pdf/ regionalstrategymar2011.pdf.

gains.[13] Integrating agricultural and environmental policies into broader rural development policies ensures that forests and other ecosystems continue to sustain farming systems (see below). Post-harvest activities focusing on the transformation, the preservation and the preparation of agricultural production for intermediate or final consumption are a major source of manufacturing employment and income in developing countries. In this regard, policies should also promote the development and transfer of relevant technologies, vocational training and entrepreneurship.

Adoption and diffusion of green technologies and sustainable national resource management strategies

39. Developing countries will need to seek new ways to ensure sustainable environmental management, economic growth and social progress. Delinking economic growth and environmental degradation can be achieved through improved efficiency and sustainability in use of resources and production processes, and reduction of resource utilization, pollution and waste. Relatively simple measures, like recycling and reuse, energy saving bulbs, conversion of waste into manure, biodiversity and ecosystem protection, and water-saving irrigation methods, among many other initiatives, will contribute to growth while protecting the environment. Minimizing land degradation, rehabilitating degraded areas and optimizing land use is crucial for sustainable land management. The Rio principle of "common but differentiated responsibility" needs to be upheld in international cooperation for transitioning towards greener and sustainable economic production processes.

40. Boosting the productive capacity of small farmers needs to incorporate environmentally sustainable and climate-resilient technology and improved natural resource management. There are vast win-win opportunities to increase farmers' productivity and incomes, reduce malnutrition, restore fragile environments, and help mitigate climate change. Governments and international knowledge-sharing networks need to facilitate the widespread dissemination, adaptation and adoption of technology and innovations to increase the productivity, profitability, resilience and climate change mitigation potential of rural production systems. Successful localized productivity-enhancing innovations can be built upon. Such innovations have improved pest and weed management, water efficiency and biodiversity. The policy challenge is to identify and support the adaptation and scaling-up of such local agricultural innovation, including in poor and food-insecure countries and regions. Agro-ecological conditions vary widely across regions, implying that agricultural technologies and practices need to be adapted to local conditions. An extensive menu of technologies and sustainable practices in agriculture is available, providing options for a radical shift towards sustainable food security. These include traditional knowledge and farming practices such as low-tillage farming, crop rotation, inter-planting, green manure utilization, water harvesting and water-efficient cropping. Furthermore, new high-yielding and pest- and disease-resistant

[13] Recent estimates suggest that if women had the same access to productive resources as men, they could increase farm yields by 20-30 per cent, raising total agricultural output by 2.5-4.0 per cent, which, in turn, could reduce the number of hungry people in the world by 12 to 17 per cent; see Food and Agriculture Organization of the United Nations, *The State of Food and Agriculture: Women in Agriculture, Closing the Gender Gap for Development* (Rome, 2011).

food crop varieties, efficient in water use and requiring little or no chemical fertilizers or pesticides, have been and are being developed.[14]

Coherent and inclusive social policies

41. Comprehensive social policies are essential to achieve the Millennium Development Goals and necessary for sustainable, equitable and inclusive growth.[15] Successful country experiences show that universal provision of basic services, based on claimable entitlements (derived from rights or contribution payments), requires active government participation in the direct provision, financing or regulation of private provision. Public policies should pay particular attention to ensure adequate servicing of rural and other disadvantaged areas and take measures facilitating access of marginalized and poor groups. Sector-specific social programmes, such as for school meals, free textbooks and subsidized medicines, can help improve education and health outcomes. Similarly, cash transfer programmes have boosted access to basic needs, especially when provided on a sustained, predictable basis.

42. Solidarity-based social insurance programmes help foster social cohesion and coalition building. Increased coverage of formal social insurance schemes can contribute to achieving several Millennium Development Goals in many ways. Formal sector and earnings-related social insurance systems can perpetuate labour market inequalities. Measures can be taken to expand coverage, unify rules and schemes (so that risk is shared among a greater and more diversified group of citizens), and to enhance the solidarity/redistributive element of insurance schemes (for example, with a guaranteed minimum pension for every citizen). Countries thus succeeded not only in extending coverage, but also in harmonizing and unifying fragmented systems, lowering costs and increasing equity and social integration. Major policy challenges include ensuring social security policies to protect migrant workers and people suffering from HIV/AIDS.

Protecting human rights and ensuring good governance

43. Application of a human rights framework helps ensure achievement of the Millennium Development Goals for all citizens. In the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, Member States reconfirmed that "respect for and promotion and protection of human rights is an integral part of effective work towards achieving the Millennium Development Goals" (para. 53),[2] and acknowledged the "importance of gender equality and empowerment of women" (para. 54).[2] A human rights framework enriches policy implementation by enabling effective participation by all stakeholders in decision-making, and improving accountability and governance. Progress in meeting the Millennium Development Goals can be enhanced if human rights are institutionalized to enable citizens to organize and participate in public policy decisions and monitor results.

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[14] Food and Agriculture Organization of the United Nations, "Climate-Smart Agriculture: Policies, Practices and Financing for Food Security, Adaptation and Mitigation" (Rome, 2010).

[15] See United Nations Research Institute for Social Development, *Combating Poverty and Inequality: Structural Change, Social Policy and Politics*, chap. 5 (Geneva, 2010), for further discussion of issues in paras. 40 and 41 of the report.

44. Good governance and maintenance of the rule of law at the national and international levels are also essential. General Assembly resolution 65/1 further acknowledged the importance of transparency and accountability. Member States committed to curtail illicit financial flows at all levels by enhancing disclosure and transparency in financial information, and were urged to consider ratifying and to implement the United Nations Convention against Corruption.[16] Strengthening national and multinational efforts to fight corruption is crucial, including technical assistance and other support to enhance developing countries' capacities. Financial flows for tax evasion purposes often utilize the same channels as drug proceeds and terrorism financing, both of which are already subject to cooperative monitoring and interdiction. Countries must cooperate and assist one another in collecting taxes due, which will help mobilize needed resources to finance inclusive development strategies.

IV. Delivering on the global partnership for development

45. The Millennium Development Goals agenda promises a stronger global partnership for development (Goal 8). At the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals in 2010, Heads of State and Government reviewed progress made, especially relevant following the setbacks experienced in many countries owing to the 2008-2009 global economic crisis and associated food and energy price spikes, and subsequent commitments to increase ODA, ensure a fairer global trading system, provide debt relief to the poorest countries, and ensure affordable access to essential medicines and new technologies to achieve the other Millennium Development Goals.

46. ODA was increased to a record $129 billion, but continues to fall short of commitments. In 2010, aid delivery was $21 billion less than what should have been delivered in 2010, according to pledges at the 2005 Group of Eight Summit at Gleneagles. Only small portions of such delivery gaps can be attributed to lower-than-expected national incomes owing to the global economic crisis. The MDG Gap Task Force, created by the Secretary-General, has suggested ways for more effective delivery of ODA, including multi-year commitments for programmable assistance in a way that is fully aligned with national development strategies for inclusive growth.

47. Failure to complete a development-oriented Doha Round is the largest gap in delivery on commitments to establish a fairer trading system. Getting the negotiations out of the current impasse is critical. Even though the Doha Round is yet to be concluded, the importance of a multilateral trading system was highlighted during the global economic crisis, when Governments were restrained in resorting to protectionist measures, as they would violate agreed rules. Protectionist measures introduced following the economic crisis particularly affected exports of the least developed countries,[17] but many were reversed rather quickly. The grave risks of not concluding the Round expeditiously, including likely impacts on achievement of the Millennium Development Goals, have been recognized and articulated. From

[16] Ratification status of the United Nations Convention against Corruption available at http://www.unodc.org/unodc/en/treaties/CAC/signatories.html.

[17] United Nations, "The Global Partnership for Development: Time to Deliver", MDG Gap Task Force Report 2011 (New York) (forthcoming).

recent discussions in the World Trade Organization, it is clear that members remain committed to concluding the Doha Round in accordance with its mandate. There is also agreement that a new approach that goes beyond "business as usual" is needed; an idea gaining ground is that of an "early harvest" of certain issues — focusing on the specific needs of least developed countries — to be delivered by the eighth World Trade Organization Ministerial Conference in December 2011. The package would need to include progress in providing full duty-free, quota-free market access to least developed countries. But, in order for developing countries to gain from enhanced market access, the Aid for Trade initiative needs to further support the development of their production and trading capacities to achieve inclusive growth. In the face of recurrent food price increases and food insecurity, support to increase the productivity, incomes and stable market access of farmers in developing countries must be given priority, including by accelerated reduction of export and agricultural subsidies to farmers in developed countries.

48. Enhanced debt restructuring and relief modalities are critical for supporting development efforts in debt distressed countries. Helped by the global recovery, the external debt burden of developing countries as a group fell to 22 per cent of GDP in 2010, down from 24 per cent the year before. Ample debt relief provided to low-income countries under the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative helped to reduce their debt burdens substantially. A substantial number of low-income and lower middle-income countries, however, remain at high risk of debt distress, with 18 low- and lower-middle-income countries remaining at high risk or already in debt distress, while many more have high public debt ratios. Adequate debt management strategies are needed at the national level. But volatile global markets may quickly change the outlook for debt sustainability. To avoid debt distress becoming an impediment to development efforts, the framework for debt relief and restructuring needs to be enhanced. The existing framework for poor countries — the HIPC initiative and the Multilateral Debt Relief Initiative — has formally ended, but, with continued debt distress, its extension should be urgently considered and made accessible to all low-income countries with debt problems, while a more comprehensive framework is developed for orderly sovereign debt workouts for heavily indebted countries more broadly. This was recommended by the 2010 Millennium Development Goals summit, but still needs follow-up.

49. Greater efforts are needed to promote the use of quality-assured, low-cost, generic medicines at low or no cost to the poor. At present, access to affordable essential medicines continues to be precarious, with only 42 per cent availability in public health facilities. The limited availability of essential medicines in the public sector is forcing patients to buy with private health facilities, where availability also tends to be limited (64 per cent), but when available, only at much higher cost. Median prices in developing countries were, on average, 2.7 times higher in the public sector than the international reference prices, and 6.1 times higher in the private sector, despite various international initiatives to provide lower cost medicines. Consequently, substantial population shares in many low- and middle-income countries can be impoverished by the high cost of medicine purchases, especially when high-priced originator brand products are used. Greater facilitation through global mechanisms is needed to increase access to medicines at low cost for the poor. For example, fostering the local pharmaceutical industry in developing countries through technology transfer and South-South cooperation, increased

awareness and use of public health-related trade-related aspects of intellectual property rights flexibilities, supported by improved availability of patent information to facilitate their use and initiatives like the Medicine Patent Pools, would stimulate innovation and increase production of more affordable medicines.

50. The Millennium Development Goals framework needs to be broadened to include affordable access to technologies for sustainable development. Development of relevant technology in developing countries and transfer of advanced technology from developed economies are essential for long-run development. Significant progress has been made in the global sharing of information and communications technologies (ICTs) and of technologies for addressing climate change and coping with its impacts, including technologies for reducing disaster risk. Access to ICTs has continued to grow globally. In developing countries, the spread of mobile cellular subscriptions continues to be particularly rapid, growing by 17 per cent between 2009 and 2010, reaching 68 per cent of the population. Internet use has also continued to grow, but still lags far behind particularly in least developed countries, partly because ICT services are still prohibitively expensive for the majority of the population in those countries. The Millennium Development Goals framework mainly focuses on ICTs. The urgency of responding to climate change and growing food insecurity is also raising concerns about the conditions to accelerate technology transfer for mitigation of and adaptation to climate change, and to increase agricultural productivity and improve market access for small rural producers. The new Climate Technology Mechanism, which will become operational in 2012, provides a starting point for urgently needed enlarged international cooperation. Finance is generally considered to be the major obstacle to the development and adaptation of green technologies.[18] Hence, for the Climate Technology Mechanism to work, it will be equally important to ensure timely delivery on international commitments for climate financing.

V. United Nations development agenda post-2015

51. The Millennium Development Goal summit requested the Secretary-General to make recommendations in his annual reports, as appropriate, for further steps to advance the United Nations development agenda beyond 2015. Accordingly, this section examines possible directions for the way forward.

A. The relevance of the Millennium Development Goals framework

52. The Millennium Development Goals will still be relevant after 2015. The year 2015 is the deadline the international community set for a range of Millennium Development Goal-related targets, but even if those targets are all met, more progress is still needed to meet the goals. The target for 2015 is to halve extreme poverty, but Goal 1 aims to eradicate extreme poverty and hunger. Similar distinctions are relevant for several other Millennium Development Goals.

53. As this report shows, much progress has been made towards achieving human development goals since the Millennium Declaration of 2000. Most observers agree

[18] See *World Economic and Social Survey 2011: The Great Green Technological Transformation* (United Nations publication, Sales No. E.11.II.C.1).

that the Millennium Development Goals framework has helped to raise global consciousness about poverty, and to focus the attention of policymakers and the public. Its ability to attract political attention and spur action has been a cornerstone of its success. Being relatively simple to communicate, the Millennium Development Goals have galvanized unprecedented support from Governments, civil society, trade unions, foundations and academia. They have succeeded in rallying the development community around a common set of goals. Today, the Millennium Development Goals are at the heart of many developing countries' national strategies and provide a framework for donor support. The monitoring framework embedded in the structure of the Millennium Development Goals, where goals are linked to concrete targets and well-identified indicators, has also helped build accountability and improve governance.

54. Yet, these strengths have not guaranteed sufficient progress on all fronts, while inequalities between and within countries remain. While the framework has arguably helped strengthen the global partnership for development (Goal 8), significant shortfalls in delivery on international commitments to support achievement of the Millennium Development Goals remain. Thus, consideration of a new development agenda beyond 2015 would need to start with a thorough, broad-based and inclusive review of the present agenda and its underlying approach, as well as assessment of what has worked and what has not. Such a review would need to be put in the context of the global development challenges ahead.

55. The values and principles endorsed by world leaders in the Millennium Declaration have continued relevance. The Millennium Declaration recognized the increasing interdependence of the world's nations and peoples, and the need to establish a framework to underpin inclusive and equitable globalization in the twenty-first century based on the following six fundamental values: (i) individual freedoms for democratic and participatory governance; (ii) equality among nations and individuals; (iii) solidarity to manage global challenges based on equity and social justice; (iv) tolerance of belief, cultural and language diversity; (v) respect for nature for sustainable development; and (vi) shared responsibility to manage worldwide economic and social development. To turn these values into concrete actions, the Millennium Declaration identified six broad objectives: peace, security and disarmament; development and poverty eradication; environmental protection; human rights, democracy and good governance; protection to vulnerable populations; consideration for the special needs of Africa and the need to strengthen the United Nations. Although the Millennium Development Goals agenda draws from the Millennium Declaration, they clearly are not identical. When considering the elements of a post-2015 development agenda, the world community may revisit the values and principles of the Millennium Declaration as a starting point for renewing its vision of global development in the light of contemporary challenges.

B. Challenges that should be central to the new development agenda

56. Sustainable development goals need to remain at the centre. Not all Millennium Development Goals are expected to be achieved by 2015, but even if they were, much further progress would be needed to achieve higher levels of sustainable development beyond 2015 (to eradicate, rather than halve, poverty, for example, as called for in the Millennium Development Goals agenda). Discussions could focus on whether and in what sense goals need to be broadened or accelerated

(e.g., more focus on quality and absolute numbers rather than percentages; also focus on the issues raised below), and whether to change the system to monitor progress and delivery on commitments.

57. The world has changed since 2000. The recent financial and economic crisis exposed complex interdependencies in the global economy and deficiencies in global economic governance in securing an enabling environment for development and safeguarding global financial and economic stability. Even well-managed countries have been negatively affected by events and decisions beyond their control. Governments have formed formal and ad hoc global and regional groupings to further cooperation. New economic powers from developing countries have gained more prominence, not only in driving the recovery from the global recession, but also as players in global economic governance and development cooperation. Recent food and energy crises have exposed both structural changes in supply and demand, and increased "financialization" of commodity markets. The world has become much more aware of the growing environmental constraints to achieving economic and social development goals in a coherent manner.

58. These challenges could be taken on by more fully operationalizing the six core values of the Millennium Declaration, as set out below. Several core values and objectives of the Millennium Declaration did not receive sufficient emphasis in the Millennium Development Goals agenda in addressing inequalities ("equality"), pursuing environmental sustainability, food and nutrition security, and sustainable energy access ("respect for nature"), addressing demographic pressures ("solidarity"), human rights and good governance ("freedoms" and "tolerance"), and ensuring peace, security and sustainable global development ("shared responsibility").

Equality

59. Reducing inequality across gender, location, ethnic and income groups must be central to an inclusive development agenda. The post-2015 development framework would need to consider effective mechanisms to reduce youth unemployment as well as inequality of income, opportunities and achievements on all dimensions of human development, including well-targeted policies that directly address the drivers of these disparities. Facilitating faster and more balanced economic growth will continue to be critical, especially in low-income countries, but will not be enough to meet the challenges of fast growing countries with large numbers of people in poverty (including many working poor).

Respect for nature while ensuring food and energy security

60. Addressing climate change, land degradation and desertification is the only way of ensuring that reducing poverty and improving human development are sustainable over the long term. Addressing these environmental challenges with a greener and fairer globalization may need to be the overarching concern of the new development agenda. Such an agenda would need to ensure that the economic, social and environmental dimensions of sustainable development are addressed in a holistic, balanced and coherent manner. Countries are already engaging in strategies for mitigation of and adaptation to climate change, including better mechanisms to minimize the impact of natural disasters and reverse land degradation. But these strategies are not always fully aligned with human development. Furthermore,

planned actions do not seem to add to global targets that would need to be met to avoid the potentially catastrophic risks of surpassing certain environmental limits.[18] Climate change adaptation and mitigation actions can and should be aimed at creating multiple benefits, including food security, poverty reduction and environmental sustainability.

61. Sustainable energy access. Lack of access to clean, affordable and reliable energy hinders human, social and economic development and is a major impediment to achieving the Millennium Development Goals. Energy services have a profound effect on productivity, health, education, climate change, food and water security, and communication services. Still, 1.4 billion people do not have access to modern energy, while 3 billion rely on "traditional biomass" and coal as their main fuel sources. The new initiative "Sustainable Energy for All" aims to reach three main goals by 2030: (i) ensure universal access to modern energy services; (ii) reduce global energy intensity by 40 per cent; (iii) increase renewable energy use globally to 30 per cent. The General Assembly has designated 2012 as the "International Year of Sustainable Energy for All".[19]

62. Food and nutrition security. Significant neglect of agricultural and rural development has caused food supplies to fall short of growth in demand across the world in recent years, while supply has become increasingly subject to the disruptive impact of environmental and climate shocks. To feed a growing world population, food production will need to increase by 70 per cent from present levels by 2050. Production in developing countries would need to double. Improved access to land, agricultural infrastructure, inputs and risk management tools are essential to increase food production and enhance resilience and productive capacity, especially for small farmers. This would also help accelerate poverty reduction and more decent job creation. Particular efforts will be needed to encourage the development and introduction of appropriate technologies for sustainable agriculture to avoid increased food production pushing the world's natural environment beyond its limits.

Solidarity

63. Demographic pressures will continue to challenge development on various dimensions. Countries with high population growth rates have rapidly increasing numbers of children and youth, and often face unsustainable demand for public services and pressure on labour markets. Countries with declining fertility and increasing longevity rates have ageing populations, with implications for sustaining growth, keeping pension systems viable and guaranteeing decent living conditions for older persons. Increased international migration and displacements generated by natural catastrophes and political conflict may require new mechanisms to protect their human rights and developmental needs. Continued rapid urbanization is posing challenges of its own, which also affect other issues. Increasing unemployment/underemployment and employment informality also pose significant new challenges for economic and human development.

[19] General Assembly resolution 65/151.

Freedom and tolerance

64. The protection and promotion of human rights cut across all dimensions and are therefore central to the Millennium Declaration's core principles and values. In discussions about the post-2015 agenda, due consideration should be given to further operationalize human rights to achieve development, for instance through labour policies and legislation, and protection measures for minorities and vulnerable population groups. The instrumental value of the principles of equality, non-discrimination, participation and accountability for effective governance and more sustainable and equitable development outcomes should be underscored.

Sharing responsibilities

65. A sustainable enabling global environment is essential for development. A stable climate, biodiversity, a stable international financial system, a fair multilateral trading system, and access to knowledge and technologies to address development challenges, as well as access to social protection, can be seen as "global public goods", all part of the global environment. Hence, they should be considered integral to deliberations for a new development agenda beyond 2015 and for redefining Goal 8, a global partnership for development.

66. Peace and security is equally essential. Insecurity has become a primary development challenge of our time; 1.5 billion people live in areas affected by fragility, conflict or large-scale, organized criminal violence. Transnational organized crime and global trafficking networks have a major impact on the rule of law and development, business and finance, and human security. Growing inequalities, disputes over natural resources and unfulfilled youth expectations are becoming major sources of conflict in many countries. It would be essential to pursue an integrated agenda emphasizing the interconnections among security, governance and development to effectively address interrelated problems in the post-2015 development framework.

C. Consultations for a post-2015 United Nations development agenda

67. Over the coming years, structured discussions, in different United Nations forums, will enable Member States and other relevant stakeholders to make their own assessments on how the Millennium Development Goals should be reviewed and rethought.

68. The post-2015 development framework is likely to have the best development impact if it emerges from an inclusive, open and transparent process with multi-stakeholder participation. Using established global, regional and national mechanisms and processes is one way to ensure that such deliberations benefit from the wide range of lessons learned and the experiences of different stakeholders.

69. Several formal and informal meetings are scheduled in the run-up to 2015. In addition to taking stock of Millennium Development Goals progress, these could discuss elements of a post-2015 framework. This applies particularly to the annual General Assembly meeting on development.[20] Future meetings could emulate the 98th plenary meeting of the sixty-fifth session of the General Assembly, held on

[20] See General Assembly resolution 60/265, para. 56.

14 June 2011 which was devoted in part to a discussion of a post-2015 development framework.

70. The Economic and Social Council and its subsidiary bodies have taken the lead in following up on several major United Nations summits and conferences. They are hence well positioned to serve as important forums for intergovernmental discussions on a post-2015 framework. In this regard, the biennial Development Cooperation Forum provides a platform for multi-stakeholder discussions on trends in development cooperation. The upcoming three annual ministerial reviews will also shed light on important cross-cutting and emerging issues of the United Nations development agenda. During the annual ministerial review's national voluntary presentations, Member States will be able to share experiences and lessons learned.

71. The United Nations can help nurture relations with key development stakeholders. It can do so by building on well-established outreach mechanisms such as the Millennium Campaign and the Millennium Development Goals Advocacy Group. The work of the Global Compact, including the Global Compact Leaders Summit, provides another opportunity to encourage private sector participation.

72. There are a series of important international events scheduled between now and 2015 that could contribute to the post-2015 framework. The upcoming United Nations Conference on Sustainable Development ("Rio plus 20") and the International Conference on Nutrition (ICN plus 20) provide important opportunities to rethink sustainable development by bringing together economic, social and environmental facets. Member States also requested the President of the General Assembly to hold a special event to follow-up efforts made towards achieving the Millennium Development Goals, to be held in 2013 during the sixty-eighth session of the General Assembly. The question of advancing the United Nations development agenda beyond 2015 could also be addressed during that event.